

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, as amended, if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser. The whole text of this document should be read.**

If you sell or otherwise transfer or have sold or otherwise transferred all of your common shares of US\$0.50 each in the capital of Lancashire Holdings Limited ("**Common Shares**"), please forward this document, together with the accompanying Form of Proxy or Form of Direction, as applicable, and the 2019 Annual Report and Accounts to the stockbroker, bank or other agent who arranged the sale or transfer for transmission to the purchaser or transferee. If you have sold or transferred part of your holding of Common Shares you are advised to consult your stockbroker, bank or other agent who arranged the sale or transfer.

LANCASHIRE HOLDINGS LIMITED  
*(Incorporated and registered in Bermuda under registration number EC37415)*  
NOTICE OF ANNUAL GENERAL MEETING

Notice of the Annual General Meeting of Lancashire Holdings Limited to be held at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda on 29 April 2020 commencing at 12.30pm Bermuda time is set out on pages 9-11 of this document.

Holders of Common Shares ("**Shareholders**") will find enclosed a Form of Proxy for use at the Annual General Meeting. Holders of Depository Interests in the Common Shares will find enclosed a Form of Direction by which they can instruct Link Market Services Trustees Limited ("**Depository**") to vote in respect of their interest. To be valid, the enclosed Form of Proxy must be received by Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 48 hours before the time appointed for the holding of the Annual General Meeting. To be valid, the enclosed Form of Direction must be received not later than 72 hours before the time appointed for the holding of the Annual General Meeting. Arrangements have also been made for CREST members to vote electronically through the CREST proxy voting service in accordance with the procedures set out in the CREST Manual. Further details regarding CREST are included in notes (iv) and (v) on page 12 of this document.

For the convenience of Lancashire Holdings Limited's European Shareholders, they may attend the Annual General Meeting via a video link at the Lancashire Group's London office, Level 29, 20 Fenchurch Street, London, EC3M 3BY, on 29 April 2020 at 4.30pm UK time.

**Your attention is also drawn to the letter from the Chairman of Lancashire Holdings Limited, which is set out on pages 4-8 of this document, recommending that you vote in favour of the resolutions to be proposed at the Annual General Meeting.**



## Note Regarding Forward-Looking Statements

Certain statements and indicative projections (which may include modelled loss scenarios) made in the Chairman's letter in this document that are not based on current or historical facts are forward-looking in nature including, without limitation, statements containing the words "believes", "anticipates", "plans", "projects", "forecasts", "guidance", "intends", "expects", "estimates", "predicts", "may", "can", "likely", "will", "seeks", "should", or, in each case, their negative or comparable terminology. All such statements other than statements of historical facts including, without limitation, the financial position of the Company and its subsidiaries (the "Group"), the Group's tax residency, liquidity, results of operations, prospects, growth, capital management plans and efficiencies, ability to create value, dividend policy, operational flexibility, composition of management, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's insurance business) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

These factors include, but are not limited to: the actual development of losses and expenses impacting estimates for hurricane Dorian and typhoon Faxai which occurred in the third quarter of 2019, typhoon Hagibis which occurred in the fourth quarter of 2019, the Californian wildfires and hurricane Michael which occurred in the fourth quarter of 2018, hurricane Florence and the typhoons that occurred in the third quarter of 2018, hurricanes Harvey, Irma and Maria and the earthquakes in Mexico that occurred in the third quarter of 2017 and the wildfires which impacted parts of California during 2017; the impact of complex and unique causation and coverage issues associated with attribution of losses to wind or flood damage or other perils such as fire or business interruption relating to such events; potential uncertainties relating to reinsurance recoveries, reinstatement premiums and other factors inherent in loss estimations; the Group's ability to integrate its businesses and personnel; the successful retention and motivation of the Group's key management; the increased regulatory burden facing the Group; the number and type of insurance and reinsurance contracts that the Group writes or may write; the Group's ability to implement successfully its business strategy during 'soft' as well as 'hard' markets; the premium rates which may be available at the time of such renewals within the Group's targeted business lines; the possible low frequency of large events; potentially unusual loss frequency; the impact that the Group's future operating results, capital position and rating agency and other considerations may have on the execution of any capital management initiatives or dividends; the possibility of greater frequency or severity of claims and loss activity than the Group's underwriting, reserving or investment practices have anticipated; the reliability of, and changes in assumptions to, catastrophe pricing, accumulation and estimated loss models; increased competition from existing alternative capital providers, insurance linked funds and collateralised special purpose insurers, and the related demand and supply dynamics as contracts come up for renewal; the effectiveness of the Group's loss limitation methods; the potential loss of key personnel; a decline in the Group's operating subsidiaries' ratings with A.M. Best, S&P Global Ratings, Moody's or other rating agencies; increased competition on the basis of pricing, capacity, coverage terms or other factors; cyclical downturns of the industry; the impact of a deteriorating credit environment for issuers of fixed maturity investments; the impact of swings in market interest rates, currency exchange rates and securities prices; changes by central banks regarding the level of interest rates; the impact of inflation or deflation in relevant economies in which the Group operates; the effect, timing and other uncertainties surrounding future business combinations within the insurance and reinsurance industries; the impact of terrorist activity in the countries in which the Group writes risks; a rating downgrade of, or a market decline in, securities in the Group's investment portfolio; changes in governmental regulations or tax laws in jurisdictions where the Group conducts business; Lancashire Holdings Limited or any of the Group's Bermudian subsidiaries becoming subject to income taxes in the United States or in the United Kingdom; the impact of the change in tax residence on stakeholders of the Company; and negotiations regarding the UK's relationship with the European Union on the Group's business, regulatory relationships, underwriting platforms or the industry generally, following the UK's exit from the European Union which took place on 31 January 2020.

All forward-looking statements speak only as at the date of publication. Lancashire Holdings Limited expressly disclaims any obligation or undertaking (save as required to comply with any legal or regulatory obligations including the rules of the London Stock Exchange) to disseminate any updates or revisions to any forward-looking statement to reflect any changes in the Group's expectations or circumstances on which any such statement is based.

### Expected Timetable of Principal Events

Publication of this document and posting to Shareholders	9 March 2020
Voting record date	Close of business on 31 March 2020
Latest time and date for receipt of Forms of Direction	12.30pm Bermuda time (4.30pm UK time) on 26 April 2020
Latest time and date for receipt of Forms of Proxy	12.30pm Bermuda time (4.30pm UK time) on 27 April 2020
Time and date of Annual General Meeting	12.30pm Bermuda time (4.30pm UK time) on 29 April 2020

For the convenience of Lancashire Holdings Limited's European Shareholders, they may attend the Annual General Meeting via a video link at the Lancashire Group's London office, Level 29, 20 Fenchurch Street, London, EC3M 3BY, on 29 April 2020 at 4.30pm UK time.

# Letter from the Chairman of Lancashire Holdings Limited (the "Company")

*(Incorporated and registered in Bermuda under registration number EC37415)*

Directors:

**Peter Clarke**, Non-Executive Chairman  
**Michael Dawson**, Non-Executive Director  
**Simon Fraser**, Senior Independent Director  
**Samantha Hoe-Richardson**, Non-Executive Director  
**Natalie Kershaw**, Chief Financial Officer  
**Robert Lusardi**, Non-Executive Director  
**Alex Maloney**, Chief Executive Officer  
**Sally Williams**, Non-Executive Director

*Registered Office &  
Head Office:  
Power House  
7 Par-la-Ville Road  
Hamilton HM 11  
Bermuda*

9 March 2020

To all Shareholders:

Dear Shareholder,

## Notice of Annual General Meeting and recommendation to vote in favour of the Resolutions

I am writing to give you details of the business proposed to be considered at the Company's forthcoming Annual General Meeting ("AGM") to be held at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda on 29 April 2020 commencing at 12.30pm Bermuda time. For the convenience of our European Shareholders, they may attend the Annual General Meeting via a video link at the Lancashire Group's London office, Level 29, 20 Fenchurch Street, London, EC3M 3BY, on 29 April 2020 at 4.30pm UK time. The notice convening the AGM is set out on pages 9-11 of this documents.

## Proposed Business of the AGM

### 1. Annual Report and Accounts and Directors' Remuneration (Resolutions 1,2 and 3)

Resolutions are proposed to receive the Company's audited consolidated financial statements for the year ended 31 December 2019 (**Resolution 1**) and to approve the Directors' Remuneration Policy (**Resolution 2**) and the Annual Report on Remuneration (**Resolution 3**), which are contained in the 2019 Annual Report and Accounts.

As a company incorporated in Bermuda, the Company is not bound by UK law or regulation in the area of Directors' remuneration to the same extent that it applies to UK incorporated companies. However, by virtue of the Company's premium listing on the London Stock Exchange, and for the purposes of disclosing its compliance or explaining its non-compliance against the requirements of the UK Corporate Governance Code published by the UK Financial Reporting Council (the "**Code**"), the Company's board of directors (the "**Board**") is committed to providing information on Directors' remuneration to Shareholders and complying with UK corporate governance standards and best practices to the appropriate extent, taking into account the Company's size and the nature of its business. The Company will therefore offer Shareholders a binding vote on the Company's forward-looking remuneration policy (the "**Directors' Remuneration Policy**") at the AGM, in line with the requirement that companies bound by UK law or regulation must put their remuneration policy to a binding Shareholder vote at least once every three years. The Company's remuneration policy for 2017 and the following two years was approved by a binding Shareholder vote at the Company's annual general meeting held on 3 May 2017. Once the Directors' Remuneration Policy is approved, all future payments to Directors, past and present, must normally comply with the terms of the policy, unless specifically approved by Shareholders in a general meeting.

Accordingly, Resolution 2 seeks Shareholders' approval for the Directors' Remuneration Policy as set out in the first part of the Directors' Remuneration Report, on pages 76-82 of the 2019 Annual Report and Accounts. The main changes to the existing Directors' Remuneration Policy are set out on page 74 of the 2019 Annual Report and Accounts.

Subject to such approval, the proposed effective date of the Directors' Remuneration Policy is 29 April 2020, being the date of the AGM.

Resolution 3 seeks Shareholders' approval for the Annual Report on Remuneration as set out in the second part of the Directors' Remuneration Report, on pages 83-95 of the 2019 Annual Report and Accounts. This vote is advisory in nature and the Directors' entitlement to receive remuneration is not conditional upon it. The resolution and vote are a means of providing Shareholder feedback to the Company's board of directors (the "**Board**").

The Company's auditors, KPMG LLP, have audited those parts of the Directors' Remuneration Report required to be audited and their report may be found on pages 101-106 of the 2019 Annual Report and Accounts.

### 2. Approval of the Final Dividend (Resolution 4)

The Board recommends for approval by Shareholders a final dividend in respect of 2019 of US\$0.10 per Common Share. If approved by Shareholders, the dividend will be paid on Friday, 5 June 2020 to Shareholders of record on Monday, 11 May 2020. The final dividend cannot exceed the amount recommended by the Board.

### **3. Election of Directors (Resolutions 5, 6, 7, 8, 9, 10, 11 and 12)**

In accordance with the Company's Bye-laws and the provisions of the Code, all the Directors of the Company are submitting themselves for re-election at the AGM. In the Board's view, each Director continues to make an effective commitment to the deliberations of the Board, to demonstrate commitment to their role, and continues to be important for the Company's long-term sustainable success. This view is supported by my own review of the Directors' performance following a formal performance evaluation of the Board undertaken during 2019.

Further information about the performance evaluation process and the Directors, including their biographies, is set out in the accompanying 2019 Annual Report and Accounts.

The Board considers all the Non-Executive Directors to be independent within the meaning of the Code.

Natalie Kershaw, the Chief Financial Officer of the Lancashire Group, was appointed by the Board as a Director with effect from 1 March 2020. In accordance with the Company's Bye-laws, Ms Kershaw stands for election by Shareholders at the AGM (Resolution 12). The Board considers that her skills, experience and knowledge, as detailed in her biography on the Company's website, are of great benefit to the Board and the Company.

### **4. Auditors' Re-appointment and Remuneration (Resolutions 13 and 14)**

The Board proposes that KPMG LLP be re-appointed as auditors of the Company (**Resolution 13**) and that the Board be authorised to set their remuneration (**Resolution 14**). This authority may be delegated to the Board's audit committee.

### **5. General and unconditional authority to allot shares (Resolution 15)**

Pursuant to Bye-law 2.4 of the Company's Bye-laws, the Board is seeking Shareholders' approval to renew the general and unconditional authority granted to the Directors to allot Relevant Securities (as defined in Bye-law 2.4(b)) up to an aggregate nominal value of US\$33,823,653, an amount equal to approximately one-third of the issued share capital of the Company as at the date of this document.

In addition, in accordance with the latest institutional guidelines from The Investment Association on the expectations of institutional investors in relation to the authority of Directors to allot shares, upon the passing of this resolution the Board will have authority (pursuant to paragraph (b) of the resolution) to allot additional Relevant Securities up to a maximum aggregate nominal value of US\$33,823,653, representing approximately a further one-third of the issued share capital of the Company as at the date of this document. However, the Directors will only be able to allot those shares for the purposes of a rights issue in which the new shares are offered to existing Shareholders in proportion to their existing shareholdings.

As a result, if this resolution is passed, the Board could allot Relevant Securities representing up to two-thirds of the current issued share capital of the Company pursuant to a rights issue. The Directors have no present intention of issuing any Relevant Securities pursuant to this authority, but believe it to be in the best interests of the Company for the Board to be granted this authority to take advantage of any appropriate opportunities.

The authority granted by this resolution will be exercised only if the Directors believe that to do so would be in the best interests of the Company. If the Directors do exercise the authority, they intend to follow best practice as regards its use, as recommended by investor groups. Unless otherwise renewed or revoked by the Shareholders in general meeting, this authority will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolution is passed.

### **6. Renewal of authority to allot shares for cash on a non pre-emptive basis (Resolutions 16, 17 and 18)**

Pursuant to Bye-law 2.6 of the Company's Bye-laws, the Board is seeking Shareholders' authorisation for the Directors to allot Equity Securities (as defined in Bye-law 2.5(g)) up to an aggregate nominal value of US\$15,220,644 on a non pre-emptive basis, such amount being approximately 15 per cent of the Company's issued share capital as at the date of this document. The Bye-laws of the Company require that, unless Shareholders resolve otherwise, any Equity Securities allotted for cash must be offered to existing holders of Relevant Shares or Relevant Employee Shares (each as defined in Bye-law 2.5(g)) pro rata to their existing shareholdings. The Bye-laws permit this requirement to be disapplied and the purpose of these resolutions is to authorise the Board to allot Equity Securities as if such provisions did not apply in certain circumstances, when the Board considers that to do so would be in the best interests of the Company.

The Board acknowledges that the total amount of the pre-emption disapplication for which authority is requested is above the levels that are considered routine by UK investors and investor groups, including The Investment Association and the UK Pre-Emption Group. In seeking this authorisation, the Board's resolve has been strengthened over a number of years through its extensive engagement with Shareholders, to whom we have explained the need to maintain competitiveness and flexibility in the face of changing market circumstances.

In the last few years similar resolutions have been overwhelmingly supported by Shareholders: at the four annual general meetings held from 2015 to 2018, Special Resolutions requesting authority at the 15 per cent level were approved, in each case by over 95 per cent of the votes cast. At the annual general meeting held on 1 May 2019, each of the three separate resolutions proposed to Shareholders was approved by in excess of 99 per cent of the votes cast.

The strategic business case is described in more detail below. In the Board's view it wholly justifies the larger pre-emption disapplication, in line with principles supported by UK investor groups, allowing for an appropriate level of flexibility in circumstances where an issuance of equity securities on a non pre-emptive basis would be in the interests of a company and its owners.

The Company has given close consideration to the Statement of Principles that was published by the UK Pre-Emption Group in 2015. While the Statement of Principles is not tailored to the specific requirements of catastrophe (re)insurers such as the Company, the Company recognises the importance of providing Shareholders with a clear explanation of the basis and context for a proposed disapplication of pre-emption rights by the Company. Accordingly, the Board urges Shareholders to support the following three separate resolutions and has set out below some of the general considerations that are likely to be relevant to Shareholders' voting decisions in response to the Company's request for a disapplication of pre-emption rights as follows:

- The first resolution (Resolution 16) requests a five per cent disapplication authority to be used on an unrestricted basis;
- The second resolution (Resolution 17) requests an additional five per cent disapplication authority to be used to raise capital in the circumstances described below or for the purposes of an acquisition or capital investment approved by the Board; and
- The third resolution (Resolution 18) requests an additional five per cent disapplication authority to be used to raise capital in the circumstances described below.

As a company, we seek to be nimble in our capital management strategy, returning our Shareholders' capital to them when we do not need it for underwriting purposes. The Board believes strongly that the converse of this strategy is that the Company should have the flexibility to raise capital quickly if the need ever arises, particularly with the influx of third-party capital to the sector, in structures that allow it to be put to use at very short notice. At current share prices (calculated at the latest practicable date prior to the publication of this document), the proposed total 15 per cent authority would enable the Company to raise up to approximately US\$284 million. It has always been a key part of the Company's strategy to take advantage of what it considers to be favourable market opportunities whenever those arise. While the Company does not therefore expect to utilize this full authority (in particular that conferred by Resolutions 17 and 18) as a response to normal loss events, it wishes to have the flexibility to raise further equity capital quickly in circumstances where it considers that opportunities exist to deploy such additional capital in support of underwriting opportunities. The major Atlantic hurricanes in 2017 (Harvey, Irma and Maria), together with the Mexican earthquakes are examples of the types of catastrophe events which could cause subsequent market underwriting opportunities. Underwriting opportunities may also arise from one major individual event. It is these types of underwriting opportunities which are likely to cause the Board to consider using the full 15 per cent pre-emption disapplication authority.

The Company operates in a market that rewards the fastest to react; those who can play a role in benchmarking an adjusted pricing regime, as well as meeting brokers' needs for immediate capacity. In this way, first movers make the new market. The Board is recommending that, as in previous years, Shareholders vote for this first mover advantage. Your support for Resolutions 16, 17 and 18 will help give the Company greater competitive parity with its insurance company peers, particularly those of its listed competitors operating in the Bermuda and U.S. markets, as well as providers of, and vehicles for, alternative capital.

However, the Board has no current intention to use this authority. If market-driven underwriting opportunities present themselves, for example as a result of a major market loss, or series of losses or in the event that the Board were to believe there to be circumstances likely to produce a material improvement in (re)insurance pricing, the Board considers that it is important to provide the Company with immediate access to a full range of financing options both from a risk management perspective and to reinforce the Company's strategy of managing capital actively and prudently.

With regard to Resolution 17 specifically, the Company also may use the authority to issue up to five per cent (in addition to the five per cent sought under Resolution 16) of the Company's shares on a non pre-emptive basis for the purposes of funding an acquisition or capital investment, if considered appropriate to develop the strategy of the Company and approved by the Board. It should be noted that at present the Company does not have plans for an acquisition or capital investment in the near future.

Were the Board to exercise any of these authorities, it intends to continue its consultation and dialogue with Shareholders and make disclosures in the announcement regarding any share issue and in the subsequent Annual Report and Accounts, each as contemplated in the Statement of Principles that was published by the UK Pre-Emption Group in 2015.

Unless otherwise renewed or revoked by the Shareholders in general meeting, these authorities will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolutions are passed.

#### **7. Resolution to authorise the Company to purchase its own shares (Resolution 19)**

The Board is seeking Shareholders' approval to renew the authority granted to the Company by Shareholders at the annual general meeting held on 1 May 2019. Pursuant to such authority, the Company is generally and unconditionally authorised to make one or more market purchases of the issued Common Shares of the Company up to an aggregate nominal value of US\$10,147,096, an amount equal to approximately ten per cent of the issued share capital of the Company as at the date of this document, at a price of not less than the nominal value of the Common Shares (exclusive of expenses payable by the Company).

The maximum price per Common Share (exclusive of expenses payable by the Company) that may be paid under the authority shall not exceed the higher of: (i) five per cent above the average of the closing middle market quotations for a Common Share of the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Common Share is contracted to be purchased; and (ii) an amount equal to the higher of the price of the last independent trade and the highest current independent bid for the Common Shares on the London Stock Exchange at the time of purchase. Purchases may otherwise be made in such manner and on such terms as the Board or any authorised committee may from time to time determine. Purchases would only be made if the effect would be expected to result in an increase in earnings per share and the Board considers that it would be in the best interests of the Company and of Shareholders generally to do so. Pursuant to the Bye-laws of the Company, no purchase can be made if the Board determines that it would result in a non-de minimis adverse tax, legal or regulatory consequence to the Company, any of its subsidiaries or any holder of shares or its affiliates.

The Company cannot by law (in respect of the par value of the shares to be purchased) purchase its own shares except out of:

- a) the capital paid up thereon; or
- b) the funds of the Company which would otherwise be available for dividend payment or distribution; or
- c) the proceeds of a fresh issue of shares made for the purposes of the repurchase, and

the premium, if any, payable on the repurchase is provided for out of funds of the Company which would otherwise be available for dividend payment or distribution or out of the Company's share premium account before the repurchase date.

Unless otherwise renewed or revoked by the Shareholders in general meeting, this authority will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolution is passed. The Board intends to seek renewal of this authority at subsequent annual general meetings in accordance with current best practice.

Resolution 19 complies with the current guidance issued by The Investment Association and the Board will have regard to any guidance issued by investor groups that may be published at the time of any purchase of issued Common Shares of the Company.

Any shares repurchased by the Company will be cancelled or held as treasury shares.

## Voting

A Form of Proxy for use by Shareholders at the AGM is enclosed with this document. Whether or not you propose to attend the AGM, you are urged to complete and sign the Form of Proxy in accordance with the instructions printed thereon and to return it to the Company's Registrars, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible and in any event so as to be received no later than 12.30pm Bermuda time (4.30pm UK time) on 27 April 2020 (being 48 hours before the time appointed for the holding of the AGM). The return of a completed Form of Proxy or the submission by CREST members of an electronic proxy appointment will not preclude you from attending the AGM and voting in person, should you so wish.

Holders of Depository Interests in the Company wishing to instruct Link Market Services Trustees Limited, the Depository, to vote in respect of the holder's interest should use the enclosed Form of Direction. The completed Form of Direction must be received by Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, as soon as possible and in any event so as to be received no later than 12.30pm Bermuda time (4.30pm UK time) on 26 April 2020 (being 72 hours before the time appointed for the holding of the AGM).

## Record Date

Only Shareholders entered on the register of members of the Company at the close of business on 31 March 2020 shall be entitled to attend and vote at the AGM in respect of the number of Common Shares registered in their name at that time. Changes to entries on the register of members after the close of business on 31 March 2020 shall be disregarded in determining the rights of any person to attend or vote at the meeting. The length of time between the record date and the AGM is necessary to allow sufficient time to complete the voting cut-back calculations as required by Bye-laws 40 and 41 (inclusive) of the Bye-laws of the Company.

## Recommendation

The Directors believe that the resolutions to be proposed at the AGM and set out in the notice convening the AGM are in the best interests of the Company and its Shareholders as a whole, for the reasons stated. Accordingly, the Board recommends Shareholders to vote in favour of all resolutions to be proposed at the AGM. Each Director who holds Common Shares in the Company intends to vote in favour of all the resolutions in respect of his or her own shareholding.

Yours faithfully,

**Peter Clarke**  
Chairman

# Lancashire Holdings Limited

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the 2020 Annual General Meeting of the Company will be held at Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda on 29 April 2020 commencing at 12.30pm Bermuda time, for the purpose of considering and, if thought fit, passing the following resolutions.

For the convenience of Lancashire Holdings Limited's European Shareholders, they may attend the Annual General Meeting via a video link at the Lancashire Group's London office, Level 29, 20 Fenchurch Street, London, EC3M 3BY, on 29 April 2020 at 4.30pm UK time.

Resolutions 1-15 (inclusive) will be considered and, if thought fit, passed as ordinary resolutions. Resolutions 16-19 will be considered and, if thought fit, passed as Special Resolutions (as defined in the Bye-laws).

### ORDINARY RESOLUTIONS

1. To receive the Company's audited consolidated financial statements for the year ended 31 December 2019 together with the Directors' and auditors' reports thereon.
2. To approve the Director's Remuneration Policy as set out in the first part of the Directors' Remuneration Report for the year ended 31 December 2019.
3. To approve the Annual Report on Remuneration as set out in the second part of the Directors' Remuneration Report for the year ended 31 December 2019.
4. That the final dividend for the year ended 31 December 2019 recommended by the Board of US \$0.10 per common share be declared, payable on Friday, 5 June 2020 to Shareholders of record on Monday, 11 May 2020.
5. To re-elect Peter Clarke as a Director of the Company, to hold office until the next annual general meeting or until his successor is elected or appointed or his office is otherwise vacated.
6. To re-elect Michael Dawson as a Director of the Company, to hold office until the next annual general meeting or until his successor is elected or appointed or his office is otherwise vacated.
7. To re-elect Simon Fraser as a Director of the Company, to hold office until the next annual general meeting or until his successor is elected or appointed or his office is otherwise vacated.
8. To re-elect Samantha Hoe-Richardson as a Director of the Company, to hold office until the next annual general meeting or until her successor is elected or appointed or her office is otherwise vacated.
9. To re-elect Robert Lusardi as a Director of the Company, to hold office until the next annual general meeting or until his successor is elected or appointed or his office is otherwise vacated.
10. To re-elect Alex Maloney as a Director of the Company, to hold office until the next annual general meeting or until his successor is elected or appointed or his office is otherwise vacated.
11. To re-elect Sally Williams as a Director of the Company, to hold office until the next annual general meeting or until her successor is elected or appointed or her office is otherwise vacated.
12. To elect Natalie Kershaw as a Director of the Company, to hold office until the next annual general meeting or until her successor is elected or appointed or her office is otherwise vacated.
13. To re-appoint KPMG LLP as auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next annual general meeting at which the Company's financial statements are presented.
14. To authorise the Board of Directors, who may delegate this authority to the Board's audit committee, to set the auditors' remuneration.
15. That, pursuant to Bye-law 2.4 of the Company's Bye-laws:
  - a) the Directors of the Company be granted a general and unconditional authority to allot Relevant Securities (within the meaning of that Bye-law) up to an aggregate nominal value of US\$33,823,653, an amount equal to approximately one-third of the issued share capital of the Company as at the date of this document; and further
  - b) the Directors of the Company be granted a general and unconditional authority to allot Relevant Securities up to an additional aggregate nominal value of US\$33,823,653, an amount equal to approximately one-third of the issued share capital of the Company as at the date of this document, in connection with a Rights Issue,

Provided that: (i) unless otherwise renewed or revoked in general meeting, this authority will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolution is passed; (ii) the Company shall be entitled to make, before expiry of such authority, any offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the Directors may allot such Relevant Securities or grant rights in pursuance of such offer or agreement as if such authority had not expired; (iii) such authority shall be in substitution for any and all authorities previously conferred upon the Directors for the purposes of Bye-law 2.4 but without prejudice to the allotment of any Relevant Securities already made or to be made pursuant to such authorities; and (iv) 'Rights Issue' means an offer or issue of Equity Securities (as defined in Bye-law 2.5(g) of the Company's Bye-laws) in connection with an offer or issue to or in favour of holders on the register of members on a date fixed by the Directors where the Equity Securities respectively attributable to the interests of all those holders are proportionate (as nearly as practicable) to the respective numbers of shares held by them on that date but the Directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, legal or practical problems under the laws of, or the requirements of any relevant regulatory body or stock exchange in, any territory or any matter whatsoever.

#### SPECIAL RESOLUTIONS

16. That, subject to and conditional on the passing of Resolution 15, the Directors of the Company be authorised, in accordance with Bye-law 2.6 of the Company's Bye-laws, to allot Equity Securities (within the meaning of Bye-law 2.5(g)) for cash pursuant to the authority conferred by Resolution 15 as if Bye-law 2.5(a) of the Company's Bye-laws did not apply to such authority up to an aggregate nominal value of US\$5,073,548, such amount being approximately five per cent of the Company's issued share capital as at the date of this document; provided that, unless otherwise renewed or revoked by the Shareholders in general meeting, this authority will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolution is passed and provided that the Company may before such expiry make any offer or agreement which would or might require Common Shares to be allotted after such expiry and the Directors may allot such Common Shares in pursuance of such offer or agreement as if Bye-law 2.5(a) did not apply.
17. That, subject to and conditional on the passing of Resolutions 15 and 16, the Directors of the Company be authorised in addition to any authority granted under Resolution 16, in accordance with Bye-law 2.6 of the Company's Bye-laws, to allot Equity Securities (within the meaning of Bye-law 2.5(g)) for cash pursuant to the authority conferred by Resolution 15 as if Bye-law 2.5(a) of the Company's Bye-laws did not apply to such authority up to an aggregate nominal value of US\$5,073,548, such amount being approximately a further five per cent of the Company's issued share capital as at the date of this document; provided that such authority will only be used for the purposes of raising capital to take advantage of market-driven underwriting opportunities (as approved by the Board) or financing a transaction that the Board of Directors of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on disapplying pre-emption rights most recently published by the UK Pre-Emption Group prior to the date of this notice; and provided further that, unless otherwise renewed or revoked by the Shareholders in general meeting, this authority will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolution is passed and provided that the Company may before such expiry make any offer or agreement which would or might require Common Shares to be allotted after such expiry and the Directors may allot such Common Shares in pursuance of such offer or agreement as if Bye-law 2.5(a) did not apply.
18. That, subject to and conditional on the passing of Resolutions 15, 16 and 17, the Directors of the Company be authorised in addition to any authorities granted under Resolutions 16 and 17, in accordance with Bye-law 2.6 of the Company's Bye-laws, to allot Equity Securities (within the meaning of Bye-law 2.5(g)) for cash pursuant to the authority conferred by Resolution 15 as if Bye-law 2.5(a) of the Company's Bye-laws did not apply to such authority up to an aggregate nominal value of US\$5,073,548, such amount being approximately a further five per cent of the Company's issued share capital as at the date of this document; provided that such authority will only be used for the purposes of raising capital to take advantage of market-driven underwriting opportunities (as approved by the Board); and provided further that, unless otherwise renewed or revoked by the Shareholders in general meeting, this authority will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolution is passed and provided that the Company may before such expiry make any offer or agreement which would or might require Common Shares to be allotted after such expiry and the Directors may allot such Common Shares in pursuance of such offer or agreement as if Bye-law 2.5(a) did not apply.

19. That the Company be generally and unconditionally authorised, in accordance with Bye-law 3 of the Company's Bye-laws and pursuant to section 42A of the Companies Act of Bermuda, to make one or more market purchases of its common shares of US\$0.50 each ("Common Shares") on such terms and in such manner as the Board or any authorised committee thereof may from time to time determine provided that:
- a) the maximum number of Common Shares hereby authorised to be purchased shall be 20,294,192 (representing approximately ten per cent of the issued Common Share capital of the Company as at the date of this document);
  - b) the minimum price (exclusive of expenses payable by the Company) which may be paid for a Common Share shall be US\$0.50;
  - c) the maximum price (exclusive of expenses payable by the Company) which may be paid for a Common Share shall be the higher of:
    - (i) an amount equal to 105 per cent of the average of the closing middle market quotations for a Common Share of the Company taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Common Share is contracted to be purchased; and
    - (ii) the higher of the price of the last independent trade and the highest current independent bid for the Common Shares on the trading venue where the purchase is carried out, at the time of purchase;
  - d) unless otherwise renewed or revoked by the Shareholders in general meeting, this authority will expire at the conclusion of the annual general meeting of the Company in 2021 or, if earlier, 15 months from the date the relevant resolution is passed; and
  - e) the Company shall be entitled under such authority to make at any time before its expiry or termination any contract to purchase its own shares which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Common Shares in pursuance of any such contract.

**By order of the Board**

**Christopher Head**

Company Secretary

9 March 2020

Registered Office & Head Office:

Power House

7 Par-la-Ville Road

Hamilton HM 11 Bermuda

Registration number: EC37415

**Notes:**

- (i) Only those Shareholders entered on the register of members of the Company at the close of business on 31 March 2020 shall be entitled to attend and vote at the meeting in respect of the number of Common Shares registered in their name at that time. Changes to entries on the register of members after the close of business on 31 March 2020 shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (ii) A Shareholder entitled to attend and vote at the meeting convened by this notice or any adjournment thereof is entitled to appoint one or more proxies to attend, speak and vote instead of him. A proxy need not be a member of the Company.
- (iii) To be valid, the enclosed Form of Proxy must be lodged with Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 48 hours before the time appointed for the meeting or any adjournment thereof, together, if appropriate, with the power of attorney or other written authority, if any, under which it is signed (or a duly certified copy of such power) or, where the Form of Proxy has been signed by an officer on behalf of a corporation, a duly certified copy of an authority under which it is signed. Completion and return of a Form of Proxy (or submission of proxy instructions electronically) will not preclude a Shareholder from attending the meeting and voting in person.
- (iv) CREST members who wish to vote using the CREST electronic proxy voting service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent, Link Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsor or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

- (v) Any holders of Depository Interests in the Company who do not lodge their voting instructions via the CREST electronic proxy appointment service may submit the enclosed Form of Direction together with the power of attorney or other authority (if any) under which it is signed, or a notarially or otherwise certified copy of such power or authority, to Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 72 hours before the time appointed for the meeting.
- (vi) As at 2 March 2020, being the latest practicable business day prior to the publication of this notice, the Company's issued share capital consisted of 202,941,918 Common Shares. No Common Shares were held in treasury. Therefore, total exercisable voting rights in the Company as at 2 March 2020 was 202,941,918.
- (vii) Copies of the letters of appointment of the Non-Executive Directors are available for inspection during normal business hours at the Company's head office and registered office, Power House, 7 Par-la-Ville Road, Hamilton HM 11, Bermuda and at the Lancashire Group's UK office, Level 29, 20 Fenchurch Street, London, EC3M 3BY and will also be available at the place of the AGM for 15 minutes prior to the meeting and during the meeting.